



This document is scheduled to be published in the Federal Register on 11/18/2016 and available online at <https://federalregister.gov/d/2016-27731>, and on FDsys.gov

BILLING CODE: 3410-XY-U

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

**Applications for Licensing as a Non-leveraged Rural
Business Investment Company Under the Rural Business
Investment Program**

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: This Notice announces the acceptance of applications from newly-formed Rural Business Investment Companies (RBICs) or new funds from existing RBICs who are interested in obtaining a licensed fund as non-leveraged RBICs under the Agency's Rural Business Investment Program (RBIP).

DATES: The Agency began accepting applications for non-leveraged status on August 6, 2012, and will continue to accept applications for non-leveraged

status on a continuous basis until such time the Agency determines otherwise.

ADDRESSES: Address for Application Submission:

Completed applications must be sent to Specialty Programs Division, U.S. Department of Agriculture, Room Number 4204-S, 1400 Independence Avenue SW., Washington, DC 20250-3226.

Address for Requesting Information:

Application materials and other information may be requested by writing to Kristi Kubista-Hovis, Acting Director, Specialty Programs Division, U.S. Department of Agriculture, Room 4204-S, 1400 Independence Avenue SW., Washington, DC 20250-3226.

FOR FURTHER INFORMATION CONTACT:

Detailed information on the RBIP, including application materials and instructions, can be found on the Agency's Web site at

<http://www.rd.usda.gov/programs-services/rural-business-investment-program>. You also may request information from the Agency by contacting David Chesnick, Program Manager, Rural Business Investment Program, Specialty Programs Division, U.S. Department of

Agriculture, Room 4221-S, 1400 Independence Avenue
SW., Washington, DC 20250-3226, at (202)
690-0433.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 defines
"collection of information" as a requirement for
"answers to * * * identical reporting or
recordkeeping requirements imposed on ten or more
persons" (44 U.S.C. 3502(3)(A)). The collection
requirement associated with this Notice is expected
to receive less than 10 respondents and therefore
the Act does not apply.

Overview Information

Federal Agency Name. Rural Business-
Cooperative Service.

Opportunity Title. RBIP for Non-leveraged
RBICs.

Announcement Type. Subsequent announcement.

Catalog of Federal Domestic Assistance (CFDA)
Number. The CFDA number for the program impacted by
this action is 10.860, Rural Business Investment
Program.

Dates. The Agency began accepting applications for non-leveraged status on August 6, 2012, and will continue to accept applications for non-leveraged status until such time the Agency determines otherwise. Availability of Notice. This Notice is available on the USDA Rural Development Web site at: <http://www.rd.usda.gov/programs-services/rural-business-investment-program>.

I. Opportunity Description

A. Background. The purpose of Subtitle H of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2009cc et seq.) is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas through venture capital investments by for-profit RBICs.

Prior to August 6, 2012, the Agency issued licenses to qualified RBICs as leveraged RBICs only. A notice published in the **Federal Register** on July 5, 2012, (77 FR 39675), informed the public that the Agency would begin accepting non-leveraged RBIC license applications on August 6, 2012.

The purpose of this current Notice is to notify

interested RBICs that the Agency is still accepting applications from qualified RBICs for licensing as non-leveraged RBICs under the RBIP. The Agency will continue to accept such applications until such other time the Agency determines otherwise.

B. Program Authority. Subtitle H of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C.2009cc *et seq.*) establishes the RBIP.

C. Definition of Terms. The terms defined in 7 CFR part 4290 are applicable to this Notice.

II. Licensing Information

A. Number of Licenses. The Agency intends to issue approximately two non-leveraged RBIC licenses a year, subject to sufficient resources. However, additional applications for licenses may be considered if sufficient resources are made available.

B. Type of License. Non-leveraged.

III. Eligibility Information

Applicants and their applications are subject to the provisions of this Notice and to the

provisions of 7 CFR part 4290. In order to be eligible for non-leveraged status under this Notice, the applicant must demonstrate that one or more Farm Credit System (FCS) institution(s) will invest in the RBIC and, individually or collectively, hold 10 percent or more the applicant's total capital.

IV. Application and Submission Information

A. Where to Obtain Applications. Applicants may obtain applications and other applicable application material from the Agency's Specialty Programs Division, as provided in the **ADDRESSES** section of this Notice. Because applications will be selected on a first-come, first-served basis, the Agency recommends that potential applicants who plan to request application materials via mail request such materials as soon as possible.

Application materials may also be obtained via <http://www.rd.usda.gov/programs-services/rural-business-investment-program> or by contacting the Agency at the address and phone number provided in the **ADDRESSES** section of this Notice.

B. Prior to Preparing Application. The Agency recommends that those interested in applying

for non-leveraged licensing contact the Agency at the address and phone number provided in the **ADDRESSES** section of this Notice to determine the status of the non-leveraged program in order to avoid unnecessary expenditure of resources by the applicant. As noted earlier in this Notice, the Agency intends to issue approximately two non-leveraged licenses a year, due to limited resources, the Agency may not be able to review more than the two applications in any 1 fiscal year.

C. Content and Form of Submission.

Applications must be submitted in accordance with the application instructions contained in this Notice and in 7 CFR 4290. Applicants must submit complete initial applications in order to be considered. Applications must be submitted in hard copy form and on a USB flash drive; applications sent by facsimile will not be accepted.

Contents of the initial application include RD Form 4290-1, "Rural Business Investment Program (RBIP) Application," Part I, Management Assessment Questionnaire (MAQ), and RD Form 4290-2, "Rural

Business Investment Program (RBIP) Application," Part II, Exhibits (exhibits A, B, C, D, E, F, G, H, K, L, P, V, and Z).

Submit two complete, original hard copy sets of the RD Form 4290-1 and RD Form 4290-2 (excluding Exhibit P, which is required in electronic form only). Place each of the two original sets in a large 3-ring binder. Label the binders with the RBIC's name. Submit one complete and unbound one-sided hard copy of the MAQ and Exhibits suitable for photocopying (i.e., no hole punches, staples, paper clips, tabs, or binders).

Applicants must enclose in their submission a nonrefundable licensing fee of \$500 in the form of a check payable to USDA.

D. When to Submit. The Agency is accepting applications for non-leveraged status until such time the Agency determines otherwise.

E. Where to Submit. The applicant must submit the application material to the Agency's Specialty Programs Division as specified in the ADDRESSES section of this Notice.

F. How to Submit. Applicants are encouraged to submit their applications via package/parcel

service.

V. Program Provisions

This section of the Notice identifies the procedures the Agency will use to process and select applicants for licensing as a non-leveraged RBIC. More information about the RBIP is available in the regulation at 7 CFR part 4290.

The Agency will review each application it receives in response to this Notice with regard to eligibility and completeness. If the application is incomplete, the Agency will notify the applicant of the information that is missing. The applicant must then provide the missing information in order for the Agency to further review the application.

The Agency will select applicants for licensing as a non-leveraged RBIC on a first-come, first-served basis. The Agency will determine the order of applications based on the date the Agency receives a complete application. For example, if an application is received on July 1, but is incomplete, and the applicant supplies the Agency with the missing information on August 1, then that application will be considered for selection on the

basis of the August 1 date—the date on which the application was complete. Therefore, the Agency encourages applicants to ensure their applications are complete prior to submitting them.

Only those applications that are eligible will be processed further for determining whether the applicant will be licensed as a non-leveraged RBIC. However, not all applications received in response to this Notice will receive this further processing. For each application that receives further processing, the Agency or its designee will focus its assessment of the application on the consistency of the newly formed RBIC's business plan with the goals of the RBIP program and on the applicant's management team's qualifications. Following this assessment, if the initial recommendation is favorable, the Agency or its designee will interview the applicant's management team.

Based on the assessment and interview, a preliminary determination will be made as to whether or not to select the applicant for non-leveraged status. If the preliminary determination is favorable, the Agency will send to the applicant a Letter of Conditions (also known as a "Green Light"

letter) and the applicant will be invited to submit an updated RD Form 4290-1, Part I, Management Assessment Questionnaire, and RD Form 4290-2, Part II, Exhibits. Upon receipt of the Letter of Conditions, the applicant has 24 months to raise their private equity capital. Once a selected applicant has achieved full compliance with the regulations governing licensing as an RBIC, the Agency will issue the non-leveraged license to the RBIC.

VI. Administrative Information Applicable to This Notice

A. Notifications

1. Eligibility. The Agency will notify the applicant in writing whether or not the application is determined to be eligible for participation in the RBIP. If an applicant is determined by the Agency to be ineligible, the Agency will provide the reason(s) the applicant was rejected. Such applicant will have review and appeal rights as specified in this Notice.

2. License. Each applicant receiving a "Green Light" letter will be notified whether or not the

RBIC will be licensed after the Agency's review of the updated RD Form 4290-1, Part I, Management Assessment Questionnaire, and RD Form 4290-2, Part II, Exhibits.

B. Administrative and National Policy Requirements

1. Review or Appeal Rights. A person may seek a review of an adverse Agency decision under this Notice or appeal to the National Appeals Division in accordance with 7 CFR part 11.

2. Notification of Unfavorable Decisions. If at any time prior to license approval it is decided that favorable action will not be taken, the Agency will notify the applicant in writing of the decision and of the reasons why issuing a non-leveraged license was not favorably considered. The notification will inform the applicant of its rights to an informal review, mediation, and appeal of the decision in accordance with 7 CFR part 11.

VII. Agency Contacts

For further information about this Notice or for assistance with the program requirements, please contact the Specialty Programs Division, U.S.

Department of Agriculture, Room 4204-S, 1400
Independence Avenue SW., Washington, DC 20250-3226.
Telephone: (202) 720-1400.

VIII. Nondiscrimination

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print,

audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil
Rights

1400 Independence Avenue, SW.,
Washington, DC 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

USDA is an equal opportunity provider,
employer, and lender.

Dated: November 9, 2016

Samuel H. Ridders
Administrator
Rural Business-Cooperative Service

[FR Doc. 2016-27731 Filed: 11/17/2016 8:45 am; Publication Date: 11/18/2016]